



ADDING DIRECTION TO PORTFOLIOS

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Revisit the body of work of any artist, and you can almost see a distinct direction in them. Even the great Leonardo Da Vinci traversed a chequered artistic journey for over three decades, before culminating with his magnum opus Mona Lisa. Like a body of artistic work, your investment portfolio needs constant refinement with each passing year.

Talking of Mona Lisa, the painting stayed hung in the bathroom of King Francis I before gradually becoming the 100 million dollar centrepiece of the Louvre Museum. As an investor, you cannot invest today and forget about it for a decade. At least not in today's financial world! Timely intervention in your portfolio is crucial for its long-term growth and sustenance.

Astute Portfolio Management

We introduce new practices and better habits in our lives all the time - be it through better eating habits, learning new skills or investing more in relationships. Similar introspection of our portfolio ensures sound financial health. As the new financial year unfolds, make sure you take a look at the basics and ensure they are in place.

Relook at your goals and strategies - This includes asking yourself the basic questions. What are you saving and investing for? When will you need the money? What else you must do to achieve your goals?

Relook your asset allocation - This is necessary as the flow of return from investments varies with market movements, geopolitical factors, changes in government policies etc. You may have to reshuffle your asset mix as a response to such variations.

Maintain diversification - Depending on your risk appetite and return expectation, ensure that your asset mix continues to remain well-diversified.

Seek expertise - All the exercises that you do while managing your investments are a part of portfolio management and investment advisory services. Your financial advisor can be the trusted partner in your financial journey, who helps you keep your investments and investing on track.

Importance of advisory

Maximising your returns and minimising losses is the primary aim of investing. This simple focus adds a definitive direction to your investment strategies. This is also precisely what your financial advisor does for you. Their importance in our financial journey can never be stressed enough. Here are a few things that a financial advisory service brings to your portfolio.

Professional approach - An advisor will give direction to your portfolio in more than one way. They understand your financial position and your financial goals and objectives. They design a customised strategy specifically for you, after considering your aspirations and risk profile. This establishes a more calculated approach towards your portfolio management.

Expert evaluation - Financial advisors are professionals with undeniable skill and expertise in the art of portfolio management. They can evaluate the larger picture around investment and help you take better financial decisions.

Unbiased opinion - An advisor will help you steer clear of biases and emotional decisions. They also offer timely insight in times of too much greed or fear in the market. It is easy for an investor to be persuaded by public sentiments. A financial advisor will help you keep emotion out of the equation in such situations.

Eases pressure - Deciding your financial goals, setting up trading accounts and making investments may seem exciting initially, but managing a portfolio on your own can be a tiring experience. Besides it is challenging as well as stressful, considering the complexities of the market and the money at stake. An advisor eases this burden off your shoulder so that you can focus on your work and get on with your life.

Investment opportunities - With an advisor by your side, you can exit from an investment or invest in a new asset with more confidence.

These are people who constantly scrutinise the market and are always on the lookout for better investment opportunities. They also have mechanisms in place to identify potential red flags and can warn you in advance about the falling comets in the market.

Conclusion

It is often debated whether a set of clear goals is more important for success in life or if it is a strong sense of direction that you need more. Financial counsel gives you the best of both worlds. They ensure that your portfolio is strictly aligned with your goals. And at the same time, they add direction to the tracking and management of your portfolio. As the new financial year begins, make sure you have a trusted financial advisor to steer your portfolio in the right direction.